

**Statement of
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To the
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Committee on Agriculture
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Testimony

Good morning Mr. Chairman and Members of the U.S. House Agriculture Committee. Thank you for the opportunity to testify on the 2007 Farm Bill. My name is Paul Sobocinski. I operate a diversified crop and livestock farm with my family here in southwestern Minnesota. I am currently raising hogs for Niman Ranch using a deep straw system for farrowing and finishing hogs. Our market hogs are raised naturally without antibiotics. In addition to hogs, I am just starting to convert more of my farmland to a rotational grazing system for both hogs and beef heifers. In addition to farming, I also work part time for the Land Stewardship Project on state and federal policy. The Land Stewardship Project is a farm and rural organization that works to promote sustainable agriculture.

Today, in my testimony on behalf of the Land Stewardship Project, I would like to emphasize three key areas that the next farm bill needs to include and address. They are (1) Commodity Reform, (2) Further Development and Expanding of the Conservation Security Program and (3) Support for a New Farm Initiative.

Commodity Reform

The current commodity title is broken. We need significant reform and a commodity program that costs less, works better for farmers and decreases the amount of environmental degradation happening on the landscapes of rural America. In addition and maybe most importantly, current commodity provisions in the farm bill end up being a big subsidy for Cargill, Smithfield, and other large scale corporate livestock operations and end users of grain who thrive and prefer a cheap grain policy. Instead of Christensen Farms Inc. paying the full cost of their feed bill, they have the American taxpayer paying a substantial chunk.

CSP

The Conservation Security Program (CSP) needs to be further developed and expanded. CSP is the bridge to the nation's taxpayers. Citizens support the idea of rewarding farmers for increasing their stewardship and enhancing our nation's landscape for our children's future. We cannot afford to keep generating the unsustainable soil loss and severe water quality problems caused by destructive agriculture production practices that are driven by current farm policy.

- CSP must be adequately funded. For CSP to make a difference for family farmers and the land, Congress must fund it at least \$1-2 billion per year in the 2007 Farm Bill. Because of the lack of funding many farmers who signed-up and qualified for CSP were unable to get contracts and participate in the popular program. In 2006 for example, of the 8,570 applications for CSP only 4,404 producers received contracts. When the 2002 Farm Bill was completed and before the ink was dry, the deal that was done to address the concerns of the total agriculture and environmental community was broken by Congress continually lifting the dollars out of CSP for every supplemental appropriations bill since 2002. By strengthening CSP in the next farm bill, we can build a bridge with the public to support conservation on working farmland.
- Continuous sign-up, or at least an annual sign-up, is crucial to encourage producers to achieve conservation outcomes. Right now, if a farmer cannot meet CSP qualifying criteria in one year, they will have to wait a decade or more to even have the opportunity to sign up again. This misses the opportunity to achieve conservation outcomes by getting producers up to the level where they then can excel in CSP. With continuous or annual signup, many could take action to meet the qualifying criteria and get in the program within a year. Coupled with nationwide enrollment, continuous sign-up will mean CSP can produce tremendous conservation outcomes all across the country.
- CSP must remain in Title II and under the direction of the Natural Resource Conservation Service, the USDA's conservation professionals. Attempts to change CSP into a version of a "green payments" component of the commodity title is a political non-starter and would put CSP under the control of agencies and interests whose expertise is not conservation but commodity crop production.
- Sustainable and/or organic farming practices need to be better recognized in CSP. The Soil Condition Index, a tool in CSP for measuring soil trends, needs to be supplemented with the Soil Management Assessment Framework or Soil Quality Index, which are more accurate measurements of soil trends and quality. In its current form CSP does not sufficiently recognize some important sustainable farming practices such as:
 - Resource-conserving crop rotations and organic farming systems.
 - Limited or reduced pesticide use, including recognition of farming operations that use no pesticides.

- Forage crops in a rotation, which is important in protecting water quality.

New Farm Initiative

The New Farm Initiative is a package of policies to support new types of farms including farmers growing food for local communities and regional markets and beginning farmers and ranchers starting on the land. It is a major, cross-cutting initiative that addresses in a comprehensive fashion the needs of beginning farmers and ranchers as well as farmers re-beginning their operations to meet the increased demand by consumers for safe healthful locally grown food.

For new farmers, barriers to entry include difficulty finding viable farming opportunities, ineffective entry strategies, over reliance on debt financing, inability to acquire initial capital investment, difficulty obtaining credit and insurance for non-traditional farming enterprises and approaches to farming, shortage of farm mentoring opportunities and lack of access to good training in management, marketing and communication skills necessary for success in new and value-added marketing opportunities.

The next farm bill needs to have a special emphasis on support for beginning and new farmers. The face of American agriculture is changing, and its future depends on the ability of new family farmers and ranchers to enter agriculture. Providing opportunities for beginning farmers and ranchers, including minority or new immigrant farmers, is also important for rural communities as well as the viability of our nation's rural businesses, schools and other community institutions. Policy options include:

1. Enhancing and providing significant mandatory farm bill funding for the Beginning Farmer and Rancher Development Program. The Beginning Farmer and Rancher Development Program (BFRDP), authorized in Section 7405 of the 2002 Farm Bill, is the first USDA program other than farm credit/debt financing programs targeted specifically to beginning farmers and ranchers. To be administered by USDA's Cooperative State Education and Extension Service (CSREES), this competitive grants program will fund education, extension, outreach and technical assistance initiatives directed at new farming opportunities. The BFRDP is targeted especially for collaborative local, state, and regionally based networks and partnerships to support financial and entrepreneurial training, mentoring and apprenticeship programs, "land link" programs, innovative farm transfer and transition practices, and education

and outreach activities to assist beginning farmers and ranchers. Such networks and partnerships may include cooperative extension, community-based, non-governmental organizations, relevant USDA and state agencies, universities, community colleges and other appropriate partners. Not less than 25% of funds appropriated for this program are targeted to limited resource and socially disadvantaged beginning farmers and ranchers and to farm workers seeking to become farmers or ranchers. There is a 25% cash or in-kind matching requirement. Grant terms may not exceed three years. The program also establishes education teams, made up of representatives of colleges and universities, cooperative extension, non-governmental organizations, and agencies, whose task is to develop curriculum and educational modules geared to different regions and farming systems for use in a variety of educational settings and available online from USDA. The curriculum and educational modules could include segments on new markets, new crops, and value-adding enterprises.

As part of the 2007 Farm Bill's New Farm Initiative, the Beginning Farmer and Rancher Development Program should be reauthorized and granted at least \$20 million a year in annual mandatory farm bill funding. Funding for the curriculum development teams should be capped at no greater than 20 percent of the total funding. Language should be added to ensure regional balance in the allocation of funding. Priority should be given to partnerships and collaborations that include non-governmental and community-based organizations with expertise in new farmer training and outreach. Refugee and immigrant farmers should be specifically included in the list of groups eligible for the 25 percent funding set-aside. A new section on grant evaluation criteria should be added and should include a focus on relevancy, technical merit, expertise and track record of the principal partners, participatory evaluation, outcome-based reporting, and plans for communicating findings and results beyond the immediate target audience.

Land Stewardship Project Farm Beginnings™

Land Stewardship Project's Farm Beginnings™ is one example of how the BFRDP could succeed. The Land Stewardship Project's Farm Beginnings™ course, a 10-month course in which participants learn goal setting, financial planning, business plan creation, alternative marketing, and low-cost sustainable farming techniques, gives LSP a unique position to understand and contribute to policy options that will be of real assistance to beginning farmers and ranchers. The course enlists established farmers and other professionals such as lenders and agricultural business instructors to present at the seminars, providing a strong foundation of community resources, networks and contacts

for those interested in farming. Farm Beginnings™ also moves onto the land itself where participants take part in on-farm field days.

During the first eight years of the Farm Beginnings™ program, over 220 people have completed the course and 60% of those graduates are farming. In addition to the education and training, the Land Stewardship Project has initiated a Livestock Loan program through a grant from Heifer International. This program has helped 18 families build equity with dairy and beef cattle and other livestock. Farm Beginnings™ is in demand in other states, with pilot programs now taking place in Illinois, Missouri, and Nebraska.

2. Access to credit and land. One of the greatest struggles beginning farmers and ranchers with limited resources face is difficulty obtaining credit and land for new or innovative farming approaches. Changing current USDA programs and looking at new ideas in the upcoming 2007 Farm Bill to strengthen beginning farmer and ranchers ability to access credit and land include, but are not limited to the following:

- a. Develop tax incentives that encourage sellers and renters of land to connect with beginning farmers and ranchers. Some states in the Midwest are implementing similar tax incentive concepts. At the federal level one solution that could contribute to state efforts would be to remove the prohibition on loan guarantees being used in conjunction with some state beginning farmer “aggie” bonds. This would make interest income tax exempt if earned on loans or contract land sales to beginning farmers and ranchers, providing an incentive to lend and sell land to beginning farmers. Attention also needs to be paid to options that can help beginning farmers and ranchers deal with encroaching development pressures.
- b. Establish an Individual Development Account Program (IDA) modeled after California FarmLink. The 2007 Farm Bill should institute a broader rural entrepreneurship IDA program that includes funding targeted to the special needs of beginning farmers and ranchers by creating a matched savings account designed to assist those of modest means in establishing a pattern of saving. The savings could be used by beginning farmers and ranchers to invest in their operations and operating capital.

- c. Expand the Land Contract Guarantees established in the Beginning Farmer Land Contract pilot program, which allowed USDA to provide loan guarantees to sellers who self-financed sale of land to beginning farmers and ranchers. Currently the program is operating in PA, WI, IA, IN, ND, MN, NE and CA. This program should be made permanent and applied nationwide;
- d. Reform the Down Payment Loan Program, which has been successful in the past. One reform would be to fix the interest rate provision to allow beginning farmers and ranchers to receive loans set under the FSA floating rate at a fixed percentage of 4% less.

3. Prioritizing Conservation Incentives. The conservation title of the 2002 Farm Bill authorized the Secretary of Agriculture to provide incentives to beginning farmers and ranchers and limited resource producers to participate in federal agriculture conservation programs. The last Farm Bill established a 15% cost-share differential for beginning farmers, and this type of support should be continued. Special attention should also be given to retiring and to beginning farmer land transfers through land exiting the Conservation Reserve Program.

4. Enact policy options to optimize the growth and development of local and regional food systems. One priority is to strengthen and promote the Farmers Market Promotion Program (FMPP). This includes increasing the funding for FMPP in the 2007 Farm Bill to at least \$20 million per year. The FMPP is meant to contribute to direct marketing initiatives to help farmers and ranchers secure a larger share of the consumer food dollar and provide an economic boost to communities. The program can be accessed by farmers, co-ops, farmers' market authorities, local governments and non-profits to explore and establish direct marketing opportunities. Another priority is to fully fund and implement the Farm to Cafeteria Program with \$20 million per year. The Farm to Cafeteria Program links farms and schools to bring locally grown food into school meal programs. Across the country these projects include salad bars filled with goods from farmers' markets, seasonal items incorporated into lunch menus, school gardens teaching children how to raise healthy food, and other positive nutrition education. Passage of a strong Farm to Cafeteria program will help school systems overcome barriers to serving fresh, locally-produced foods in school lunch programs and provide a good market for farmers growing food for local communities.

In conclusion, I would like to thank the United States House Agriculture Committee for the opportunity to testify. These issues are critically important to family farmers, rural America, the environment and our food system. Sustainable agriculture organizations including the Land Stewardship Project look forward to working with members of Congress on the upcoming 2007 Farm Bill. If you have additional questions, please feel free to contact me.